

ESSB 5470 - H COMM AMD  
By Committee on Appropriations

ADOPTED AS AMENDED 04/06/2005

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that as consumers'  
4 prescription drug costs continue to rise, people across the state of  
5 Washington are seeking opportunities to purchase lower cost  
6 prescription drugs from Canada, the United Kingdom, Ireland, and other  
7 countries for their personal use. The state has a strong interest in  
8 promoting the safe use of prescription drugs by consumers in Washington  
9 state. To address this interest, the legislature intends to seek  
10 authorization from the federal government to license Canadian, United  
11 Kingdom, Irish, and other nondomestic prescription drug wholesalers,  
12 thereby providing licensed retail pharmacies the opportunity to  
13 purchase prescription drugs from approved wholesalers and pass those  
14 savings on to consumers, and providing consumers the opportunity to  
15 purchase prescription drugs from a trusted community pharmacist who is  
16 aware of all of their prescription drug needs.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 18.64 RCW  
18 to read as follows:

19 (1) By September 1, 2005, the board shall, in consultation with the  
20 department and the health care authority, submit a waiver request to  
21 the federal food and drug administration that will authorize the state  
22 of Washington to license Canadian, United Kingdom, Irish, and other  
23 nondomestic prescription drug wholesalers under RCW 18.64.046, thereby  
24 providing retail pharmacies licensed in Washington state the  
25 opportunity to purchase prescription drugs from approved wholesalers  
26 and pass those savings on to consumers. The waiver shall provide that:

27 (a) Canadian, United Kingdom, Irish, and other nondomestic  
28 prescription drug wholesalers meet the requirements of RCW 18.64.046  
29 and any rules adopted by the board to implement those requirements;

1 (b) The board must ensure the integrity of the prescription drug  
2 products being distributed by:

3 (i) Requiring that prescription drugs purchased from Canadian,  
4 United Kingdom, Irish, and other nondomestic wholesalers originate only  
5 from approved manufacturing locations;

6 (ii) Routinely testing prescription drugs purchased from Canadian,  
7 United Kingdom, Irish, and other nondomestic wholesalers for safety;

8 (iii) Establishing safe labeling, tracking, and shipping procedures  
9 for prescription drugs purchased from Canadian, United Kingdom, Irish,  
10 and other nondomestic wholesalers; and

11 (iv) Closely monitoring compliance with RCW 18.64.046 and any rules  
12 adopted to implement the waiver;

13 (c) The prescription drugs purchased from Canadian, United Kingdom,  
14 Irish, and other nondomestic wholesalers must be limited to those that  
15 are not temperature sensitive or infused and for which potential  
16 savings to consumers can be demonstrated and those available through  
17 purchase by individuals only at licensed retail pharmacies;

18 (d) To ensure that the program benefits those consumers without  
19 insurance coverage for prescription drugs who are most in need of price  
20 relief, prescription drug purchases from pharmacies under the waiver  
21 will be limited to those not eligible for reimbursement by third party  
22 insurance coverage, whether public or private, for the particular drug  
23 being purchased; and

24 (e) Savings associated with purchasing prescription drugs from  
25 Canadian, United Kingdom, Irish, and other nondomestic wholesalers will  
26 be passed on to consumers.

27 (2) Upon approval of the federal waiver submitted in accordance  
28 with subsection (1) of this section, the board, in consultation with  
29 the department and the health care authority, shall submit a detailed  
30 implementation plan to the governor and appropriate committees of the  
31 legislature that details the mechanisms that the board will use to  
32 implement each component of the waiver under subsection (1) of this  
33 section.

34 (3) The board shall adopt rules as necessary to implement this act.

35 NEW SECTION. **Sec. 3.** If any part of this act is found to be in  
36 conflict with federal requirements that are a prescribed condition to  
37 the allocation of federal funds to the state, the conflicting part of

1 this act is inoperative solely to the extent of the conflict and with  
2 respect to the agencies directly affected, and this finding does not  
3 affect the operation of the remainder of this act in its application to  
4 the agencies concerned. Rules adopted under this act must meet federal  
5 requirements that are a necessary condition to the receipt of federal  
6 funds by the state."

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